

MISSOURI STATE PENITENTIARY REDEVELOPMENT COMMISSION

MEETING MINUTES

Open Session
October 27, 2005

The MSP Redevelopment Commission meeting was called to order at 1:00 p.m. Vice Chairman Jim Wunderlich presided over the meeting due to the formal resignation of Chairman Bill Carr.

Roll Call:

The Following Commission members were present constituting a quorum: Bushmann, Callis, Peerson, Schreiber, Sheehan, Wunderlich

The Following Commission members were absent: Carr, Mahfood, Meyer, Riddick.

The Following Facilities Management, Design and Construction staff was present: Director David Mosby, Deputy Director Walter Johannpeter, Charlie Brzuchalski, and Charlotte Collet.

Special Guests: None Recognized

I. Approval of Minutes

The minutes of the August 24, 2005, and September 28, 2005, meetings were reviewed and approved. No comments or suggestions were discussed regarding the minutes from these meetings. With a motion from Gene Bushmann and a second by John Sheehan, the minutes were approved.

Those in favor: Bushmann, Callis, Peerson, Schreiber, Sheehan, Wunderlich

Opposed: None

Absent: Carr, Mahfood, Meyer, Riddick

II. Update on Options for Insurance Coverage – Charlie Brzuchalski

Counsel Pamela Henrickson was not present for this meeting. Mr. Brzuchalski reported that he and Ms. Henrickson have some additional information to provide to the underwriter, such as square footage and buildings and property information. This will allow him to evaluate and prepare an underwriting for an evaluation of a premium cost proposal. After all that information is obtained, he will be able to prepare a report in a couple of weeks.

III. Status Update on Caretaking/Interim Uses of MSP – FMDC Director David Mosby

Mr. Mosby reported no major problems. The temporary car pool is working very well. He stated that should the time come that the Commission wants

that space; the State would find another location. He also added that the previous proposal of installing a Jiffy Lube Station has been dismissed, as the flooring will not support the lifts.

Discussion:

Schreiber: Will security staffing remain the same?

Mosby: Definitely. One staff member – a PME (plant maintenance engineer) and one security person.

Schreiber: I am concerned that the key control should be maintained by only one individual

Mosby: Charlie Ferrell is the ideal person to maintain the key control. Charlie worked for the Department of Corrections for 25 years before coming to work for the Division of Facilities Management, Design and Construction. He knows MSP and takes a vested interest in everything that happens at MSP. This has worked well.

Schreiber: It is an advantage to have someone that worked at the facility even though it is not an operating prison. Even with the interim uses, it is good to have someone that takes an interest in the happenings. Are we still going to make certain that training and other interim uses of the facility are handled in an appropriate manner?

Mosby: Charlie Brzuchalski will handle all of the questions surrounding the appropriate manner of usage for the facility. I trust his judgment. If he has questions, he will address his concerns to the commission.

Schreiber: Do any of the buildings require heating and do we have facilities to provide heat?

Mosby: The garage buildings are the only buildings that are being heated since staff is located in these buildings. There is no natural gas anywhere else in any of the buildings. This was done last winter. All water was drained off. It has been a year since the buildings have been heated. Antifreeze was put in the pipes, etc.

Schreiber: Maybe we should revisit and take a fresh look at the heat capacity in Housing Unit 4 where we have a lot of artifacts? We could possibly use a package unit that sits in the middle to keep the frost off. We would still have only moderate heat and very little humidity control. It becomes a balancing act on whether to spend the money on equipment, utilities, etc. to gain some ground. An answer will be available next week. This will be reviewed again before winter sets in.

Schreiber: Another issue came up from the Department of Natural Resources (DNR). A letter was sent to the fire and safety manager at the new institution this week regarding possible safety hazards from fluorescent light bulbs and fire extinguishers that were left behind at MSP. Concerns are that even though electricity has been turned off in most of the buildings, there may be a need for electricity in the future. Bulbs should be left in place as well as the fire extinguishers, especially since the water has been turned off. In this case, the fire extinguishers become critical.

Mosby: Requested a copy of the letter for review for follow-up. There have been many issues with items being left behind such as ammunition. This is another on the list. Schreiber will provide a copy of the letter to Dave. He

went on to say that he does not want to expend the time and effort to have the fixtures removed yet.

Sheehan: Are we anticipating an answer on the Insurance issue soon?

Brzuchalski: Yes, it is hoped to have information together in time to have an answer by the next meeting and a definitive proposal by the January meeting.

If necessary, we may have a short meeting in December to address the insurance items. The historical buildings have been addressed by providing area numbers and square footage and building construction descriptions.

Sheehan: The role and responsibility of the Commission once it is ultimately transferred to the Commission is to act and oversee the orderly development. Part of the role at that point will be to have communicated the physical makeup of the site, which brings with it the potential for interested parties to understand the possible development opportunities present. At this point are interested groups to develop the property being encouraged or allowed to tour the facility presently and if that information is not yet available could we work towards having a presentation on the website to encourage these groups to come to the site in person and tour it. How do we create interest?

Brzuchalski: To answer the first question, if we have a development group that has a legitimate need and a viable interest we can schedule a tour. This is being done now. This is part of the packets that are being given to the master developer for the selection process to get him on board and do those kinds of tours on a regular basis as well as provide definitive tours to answer specific questions by developers. To address the other question regarding information, at the next meeting the intent is to provide the final copy of the final development specifications and design guidelines, which includes the master plan and the detail for the developers to assemble proposals. This information will be placed on the website for parties that need to get to it.

Sheehan: Would this include a virtual tour of the facility on the website that would allow development party interest as well as public interest?

Brzuchalski: We do not have a virtual tour on the website. We do have a photo gallery. We can get to a level of the virtual tour. The site has the master plan and aerial views of the site. The master plan document includes the drawings, Phase 1, background materials, etc.

Sheehan: Is this current funding or prospective funding to make all of this happen?

Brzuchalski: That is in the FY05-06 budget already.

Sheehan: Let's assume that the legal title is transferred to the commission so that it is technically not State property. Does FMDC's budget continue to provide operations and expenditures on the property after the transfer?

Mosby: Good question. Obviously, it would. When we look at numbers, FMDC is not in the position to assume large financial hits. When you look at the mechanics and real details of how everything works, until the commission really gets its feet on the ground and an income stream starts coming in, we can hold the title so we can assume all of the risks that the commission is trying to avoid. If someone wants to buy a parcel, it would be an instantaneous transfer to the commission, etc. When you look at the operating money, it gets a little cloudy. The commission is totally dependent

on the State in this circumstance. These are questions that need to be addressed with the Commissioner of Administration.

Schreiber: It may be necessary to generate an agreement between the Commission and the State. The State continues to uphold its agreement and make certain expenditures. This Commission will eventually come up with a budget. Knowing what our expectations are for expenditures in the future, which can only be done mutually with the state, and then with the state agreeing to make those payments. It is complicated but not impossible.

Sheehan: Charlie, at one time it was discussed that there was some funds for site acquisitions that were budgeted. Did these ever get transferred?

Brzuchalski: Some have already been transferred with the site acquisitions.

Schreiber: We need the knowledge of FMDC staff to continue the effort to benefit the property in the process. It would difficult to bring others up to speed.

IV. Review and Update on Project Status – Charlie Brzuchalski

Regarding the Master Developer selection process, a draft of the RFQ document will be available for review. The process is now at the top of the list to accomplish. Letters have not been sent out requesting expressions of interest, but will be soon. WE are just starting the process now.

V. Wunderlich: Bill Carr has resigned from the Commission. The Commission would like to thank Mr. Carr for all that he has done for the Commission. A proclamation is being passed around among the Commission members for signature. The proclamation was read to the Commission members by Jim Callis. This proclamation will be presented to Bill in recognition of his efforts.

VI. Upcoming Agenda Items for the November 16 Meeting

- a. Development Standards & Design Guidelines
- b. MSP Redevelopment Project Schedule Update
- c. Master Development Selection Process Update
- d. A draft of position descriptions for MSPRC staff positions as outlined in the Bylaws for an Executive Director and a Secretary.
 - i. These positions were not defined in the proposed budget
 - ii. The question was asked if the Legislature will be asked for supplemental request.
- e. Discussion for MSPRC Commercial Banking Selection Process

Additional discussion on caretaking:

- Callis: Do we need new supplemental legislation in the January 2006 session in order to move forward?
 - We have what we need in place.
- Sheehan: Do we have sufficient funding this fiscal year to handle caretaking, etc.?
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Discussion:

- Mosby: Yes, in the CI budget, \$500,000 has been requested. This money is for surveying and preparing the property descriptions.
- Brzuchalski: The backbone is already done and has already been identified in the master plan. It's ready to hand over to the surveyors to get the correct property descriptions to describe the parcels. This will develop the strategy for development.
- Schreiber: Roof money still exists too, doesn't it?
- Mosby: Yes it does. This roof repair will be handled by contract.
- Brzuchalski: This work will start July 1, 2006. The money is allocated within the FY07 budget year. By July 07, a contract will be in place to upgrade caretaking activities, mostly roofs. The next broad area is what we refer to as marketing or the dissemination of information regarding sites and opportunities. Is this funding included in the FY05/06 budget? This funding is included in the tasks that we give the master developer.
- Callis: Is the funding for the master developer included in this fiscal year or next fiscal year?
- Brzuchalski: At this point, we anticipate that no large funding stream is required for the master developer. I don't want to disillusion you that we may not need to use some money to cover costs associated with them. Generally, as we understand how they work, they work similar to a Real Estate Agent; they work on a contingency basis with us. They derive their money at the time when the project is actually taken to contract before starting construction. Money is available from the person buying it and pays the master developer's fee.
- Sheehan: Is this a straight contract as opposed to a construction manager or site manager?
- Brzuchalski: We are doing this along the lines of a professional service agreement. It is not really an architect or engineer but it is along those lines. We have to specify the scope of work and assign those professional services.
- Wunderlich: Anything else on caretaking?

Other Discussion for Open Meeting:

- Wunderlich: Anything else in the open meeting that anyone wants to bring up for discussion?

2006 Meeting Dates:

- Brzuchalski: There is one other thing that I would like to bring up for discussion with the members present. That follows along the line of the number of meeting dates. Does anyone have any preference about the 2006 meeting schedule whether we should proceed with the 4th Wednesday of every month as a tentative meeting date and schedule around that or is there a better date each month?
- Wunderlich: This is good. Make a tentative schedule by the next meeting date.
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- Brzuchalski: We will bring a list of tentative meeting dates to the next meeting in November. At this time, we will continue with the 4th Wednesday of each month.

Other items to be discussed in future meetings:

- Peerson: Is it possible for the Commission Members to be notified in advance any time that something that needs to be reviewed at the meeting for full discussion at the meeting. It would be helpful to have the materials in advance for review.
- Brzuchalski: Any agenda items that the Commissioners would like placed on the agenda should be received by a certain time in order to provide the appropriate materials to the members prior to the meetings for discussion.

Commissioners can attend by phone and will constitute attendance. There was discussion of ways to make sure a quorum is reached for the meetings. Members call to make sure others attend.

Other Comments:

Randy Allen addressed the Commission members and staff and thanked everyone for allowing him to be at the meeting. He represents the Jefferson City area Chamber of Commerce. The Chamber reiterates its strong support for the Commission and the work being done on the redevelopment efforts. The governing body of the Chamber is very interested in what happens on those 140 acres. The Chamber offers its strong support and help to the work of the Commission as the Commission moves forward in the future. The Chamber has not been as active in this process as it should have been. The Chamber Board, Executive Committee, and staff pledges to do whatever it takes to help along the way. If the Commission has a need to use any of the Chamber's resources, contact him directly. The Commission is now at a turning point to move forward. The Chamber again offers its strong support.

With no further business, the vote was taken to close the rest of the meeting. Motion was made by Gene Bushmann and seconded by Callis.

Those in favor: Bushmann, Callis, Peerson, Schreiber, Sheehan, Wunderlich

Opposed: None

Absent: Mahfood, Riddick, Meyer, Carr

Next Meeting: November 16, 2005 – 1:00 p.m. to 4:00 p.m.
Room 750 – Truman State Office Building
Jefferson City, Missouri